

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A275.2
Ex8S0

UNITED STATES
DEPARTMENT OF AGRICULTURE
LIBRARY



BOOK NUMBER

872947

A275.2
Ex880

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Extension Service
Washington 25, D. C.

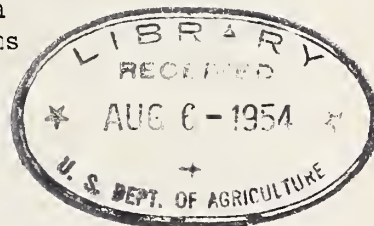
SOME OUTSTANDING FEATURES OF EXTENSION PROGRAMS
The Work of Marketing Agents

by

A. Perez-Garcia
Vice-Director of Extension Service
University of Puerto Rico, Rio Piedras, Puerto Rico

Presented at

Extension Administrative Conference on
Expanding Marketing Educational Programs
Chicago, Ill., May 24-27, 1954



Background Information

Marketing in Puerto Rico -- Its Problems:

The economic pattern of Puerto Rico is and probably will continue to be largely agricultural. Nearly all the economic activity of the island centers around the cultivation, processing, transportation and distribution of agricultural products. Though a great effort is being made toward industrialization, agriculture will continue to be the strongest column of our economy. In terms of percentage, agriculture provides about 40% of Puerto Rico's net income. It is estimated that about 210,000 persons are directly or indirectly employed in the marketing industry in Puerto Rico. The social implication of this fact cannot be sub-estimated while preparing a sound marketing program. However, the lack of an orderly marketing system for farm products has followed a very inefficient pattern centering mostly on obsolete public markets. This situation has largely hindered consumption and has handicapped production. The present functional aspects of marketing in Puerto Rico are quite different from those in the States. It is focused through inadequate market structures and tied to an excess of intermediary handlers. The impact of this situation has gone for time being to the ultimate consumer who has paid very high prices regardless of quality.

In our present inefficient marketing system there is, if any, very little incentive for farmers to concentrate production through improved technical practices. They are scared at a lack of foreign and domestic markets capable of absorbing high production. With very few exceptions, cared for by the balanced farming program of the Extension Service, the tendency is to produce agricultural products, without market consideration or consumer's preferences. Exception is hereby made for sugar and tobacco whose production in the island is restricted by quotas. When crops are harvested farmers move them to markets either in bulk or in odd types of containers. Since the issuance of commercial

standards of classification is in its beginning in Puerto Rico, crops move to markets, with very few exceptions, regardless of grading or proper packing. In most instances they are all mixed up -- the good with the inferior; unsorted and uncleaned -- of which condition the intermediate handlers get the best results paying very low prices to producers.

Since transportation in the producing areas is mostly by trucking and through very winding and steep roads, agricultural products suffer considerable damage due to improper handling practices. As a result, a high percentage of them go to waste and to poor quality stuff. Furthermore, the system employed is too costly and by all means obsolete and inefficient.

Fruits and some other products moved in bulk are sold by count, which takes considerable time to the transaction, since with the process of counting they also do some sorting to care for the bruised and wastes.

Marketing products which are moved to markets in sacks and other containers are costly, too. In the absence of grading which brings confidence to buyers, the trade practice is to inspect each container.

It can easily be observed that all of this inefficient marketing activities are highly responsible for the low returns that our farm families are receiving from their agricultural business and the high prices that consumers are paying on retail markets.

In general we might conclude that the ways in which our agricultural products are produced, handled and marketed, do not satisfy the low and high income consumers. There is no fallacy in saying that with very few exceptions the high-income-consumers are unable to find first class products and those of low-income fail to find a good second class product to cover the limitations of their purchasing power and yet make a good buy.

Generally, these are to our opinion the problems and limitations in the enforcement of the RMA project in Puerto Rico. You can see that there is ample room for an extension educational program directed to improve marketing conditions, improving at the same time the situation for consumers.

Objectives of the RMA Project in Marketing in Puerto Rico

Considering the general marketing situation explained above the issuance of long-time objectives were ~~an~~inent. Here they are:

1. Find, create and foster foreign as well as domestic market outlets for our fruits, green and starchy vegetables.
2. Stimulate improvement in quality.
3. Develop higher efficiency in the handling and distribution of agricultural products.

872947

Organization of the Work in Marketing

Marketing education work is conducted through nine field agents with the title of associate agricultural agents, under the direct supervision of the Extension district supervisors. These associate agents cover the whole island, each having a territory comprising from 5 to 10 counties or districts, as we call the counties locally. Their headquarters are some county or district located in a convenient place within the territory to be covered by each, from which they travel to the rest of their territories. They are stationed in the county agents offices.

These associate agents are part of the county extension staff. They report directly to the agents in whose counties or districts they work and their work is part of the county extension program and plan. There is not a separate extension program and plan in marketing or consumer education, but just one single program covering all phases and problems for every county or district. Their activities are coordinated with those of the rest of the county staff and are directed to the task of working jointly towards the solution of county problems.

To help and assist these associate agents there is a marketing specialist within the Section of Agricultural Economics and Cooperatives. This specialist works under the leadership of a project leader who is the head of the Section of Agricultural Economics and Cooperatives. All other extension specialists assist and help these associate agents also, through field visits upon request from the field agents, and on their own initiative; through information material and visual aids and other ways and means used in the training of those associate agents to do the right kind of job according to the existing problems and situations. Although these associate agents do most of the county level teaching in the line of marketing, county agents help and assist them, too.

Twelve thousand five-hundred (\$12,500) RMA funds are used for marketing education work for which the same amount is offset from State funds. Non-offset funds in the amount of \$7,542.00 are used in addition, making a total of \$32,542.00 used for marketing education work in Puerto Rico. Of this amount \$27,480.00 is paid in salaries and the rest is for travelling, equipment, communication, and supply and materials.

How the Work is Conducted

1. Our marketing educational job is conducted with producers, handlers, cooperatives and consumers.
2. Extension workers give major emphasis to those activities which convey information about the techniques of preservation of quality and condition of farm products.
3. Extension workers give information in relation to sorting and classification of crops and give demonstrations accordingly. In this respect they use the Federal Standards of classification which apply to our products. They give special attention to quality in classification and packing.

4. They conduct general meetings and organize study clubs to assist in the organization of agricultural cooperatives, aiming the creation of an instrument for the orderly marketing of food crops.
5. They conduct Extension short clinics for retailers in which classification, handling and consumers preferences and quality of agricultural products are stressed.
6. They disseminate crop outlook and market price information to interested persons.
7. They broadcast radio programs in relation to the marketing of our agricultural products, stressing loading and unloading practices, careful transportation and protection from sun of certain crops.
8. They prepare newsletters, posters, slides, films, etc., in relation to the marketing function.
9. They interview intermediate handlers through which the selling of farmer's crops take place.
10. They conduct method demonstrations in such marketing functions as picking, sorting and packing of food crops.
11. Conduct tours to marketing cooperatives.
12. Train producers in problems of good salesmanship and crop classification and storage.
13. Training of handlers on products arrangement, display, cleanliness and improvement of general appearance of market places.
14. Campaigning on variety selection, insect and disease repression.

Some of the Achievements

1. In relation to the first of the stated objectives of marketing education work considerable progress has been attained in:
 - a. Making all the persons intervening in the marketing activities of agricultural crops conscious of the need for the improvement in the marketing functions in Puerto Rico. Our government is so conscious about this that a law was passed appropriating funds for the construction of a metropolitan market near the capital city of San Juan. Besides this, our governor appointed an advisory committee to study and make recommendations on the marketing problems of Puerto Rico. Members of this committee are all prominent business men from the States and of Puerto Rico. It also includes government officials.
 - b. Making public managers and other officials feel the need for more hygiene, better organization, handling, display

and storage of agricultural products. To this respect there is a stimulating as well as an encouraging reaction in some of our municipal government directors, whose plans for new market places to replace the existing old structures are well advanced.

- c. Training farmers in the preparation of planting plans following outlook and demand. In this respect we have attained considerable progress with two promising crops, namely sweet potatoes and "gandules" (pigeon peas).
- d. Diversion of agricultural products throughout the island. The interpretation and explanation to farmers and handlers through daily price broadcast programs have helped in a better distribution of the crops though there is always a tendency of large product movement to the metropolitan market where larger demand persists all the year around.

to

In relation/the second objective of our program we consider considerable progress has been made with such crops as sweet potatoes, "gandules," mangos, tomatoes, plantains, yams and tanniers as follows:

- 1. Training producers in sorting crops in the farms.
- 2. Training producers, middlemen, retailers, wholesalers and consumers in crop grading.
- 3. Training producers and handlers, retailers and wholesalers in adequate packing and use of proper containers.
- 4. Training farmers in the use of the best varieties.
- 5. Training farmers in the control of insects and diseases.

In relation to handling practices, our major emphasis was centered in:

- 1. Training producers in the observance of extreme care in picking crops commercially mature.
- 2. Training for protection against sun rays for some crops in the field and while in transit.
- 3. Training in loading and unloading.
- 4. Training in good storage practices.

Promising results have been obtained in the sweet potato, "gandules," tomato and mango marketing programs. These programs are developed in cooperation with the State Department of Agriculture.

The observance of strict regulations as to the quality of crops sent to market has been of considerable help in the enlargement of foreign market outlets, especially for canned "gandules," sweet potatoes and fresh mangoes.

Work With Marketing and Consumer Cooperatives

Marketing cooperatives --

The Puerto Rico Extension Service has been doing an intensive piece of work with cooperatives of all kinds. The work is of an educational nature, that is, educating our people in the principles of cooperative organization as a means of helping them in the solution of various important problems, such as the marketing one. Another group of associate agents whose main job is to develop this educational phase with cooperatives is working in close coordination with our marketing agents. They establish the bases for the organization of marketing cooperatives and then the marketing agents (associate agents) use these cooperatives for their job of marketing education.

These marketing cooperatives are excellent training centers where farmers are trained in large groups on how to handle their products for market. Orderly marketing is done through our marketing cooperatives, farmers obtaining better prices for their farm products. Such crops as coffee, tobacco, starchy vegetables as bananas, plantains, tanniers, sweet potatoes; other vegetables such as tomatoes, cabbage, lettuce, pepper, cucumbers, etc.; fruits such as pineapples, all these kinds of products are covered by the marketing cooperatives organized up to the present. An active membership of 11,905 has been working with marketing cooperatives during 1953 with a total volume of business of \$24,203,551.00. This includes some work with youth. We are having 37 groups of young boys and girls working through cooperatives of different kinds.

Consumers Cooperatives

Consumers cooperative stores, where proper classification and grading is required and where quality of products from the standpoint of grades, nutritional value, general appearance, etc. is stressed, are excellent ways and means for doing marketing education. Consumers' cooperatives, besides being centers for the selling of all kinds of essential foods, imported and locally produced, to consumers, they also take certain food products directly from the farms. Being this the case, they are of some help in the solution of certain marketing problems insofar as orderly marketing of some farm products that meet the necessary requirements, takes place in these centers. In this way they serve to urge in farmers the need of producing good quality through proper cultural, handling, and processing practices.

An active membership of 6,165 with a volume of business of \$4,248,000.00 has been working in consumers cooperatives in 1953. Most of these consumers cooperative stores are grocery stores. There are also two gasoline consumer cooperatives.

Plans For The Future

In planning for the future two phases of the work will be emphasized. These are:

1. Fostering research through our experiment station on tomatoes, tropical fruits and starchy vegetable byproducts.
2. Intense training in retailing covering the following:
 - a. Improve methods in vegetable handling and storage.
 - b. Improve utilization of facilities (space available, freezing units, equipment, etc.)
 - c. Cut of wastes and excessive costs in handling perishables.
 - d. Lengthening shelf life of perishables.
 - e. Improvement of displaying and product arrangement in stands.
 - f. Receiving, preparation for selling and pricing of agricultural products.
 - g. Sorting and classification.

